## The Experience Era of Travel Broken Down by Generation

These days, American consumers are less concerned about things, and more concerned about experiences – at least that what they are spending more of their <u>discretionary income</u> on. Part of those "experiences" is travel.

This summer is a perfect example – <u>travel sales increased</u> 8.6% over last year, while retail sales remained flat. Due to the increase in consumers looking for experiences, tours and activities became the third largest travel segment - only air and accommodations came in higher. Emphasis on experience continues throughout the travelers' journeys as they choose to treat themselves to sightseeing, special dining, accommodations, and activities <u>all ahead of shopping</u>. In addition, trying something new is the big trend in travel: 69% of all global travelers of all age groups planned to try something new in 2016.

In general, the overall market trends in the U.S. industry applied to all travelers. They choose to spend their money on experiences, they want detail-rich, helpful information to guide their decisions, they want to try new things and open their eyes to the world. However, each generation approaches and interacts in the four stages of the journey on their own terms. Understanding how they find content and make choices can help brands connect with them.

# Boomers (1946-1964/age 52-70)

Many Baby Boomers are of retiring age, but this age group isn't just going to sit at home in their retirement. According to an AARP survey, the number of Baby Boomers traveling in 2016 was scheduled to reach an all-time high of 99%. About one-third of those traveling had planned a "bucket list" vacation in 2016 to live out their dreams. Believe it or not, Baby Boomers are getting adventurous in their vacations and participating in many activities like skydiving and mountain biking on their vacations — they tend to stray away from typical "cliché" vacation spots.

#### Gen X (1965-1976/age 40-51)

For the majority of Gen Xers, <u>family life shapes</u> their travel preferences, they are often traveling with either kids or parents in tow. Their destinations are closer to home, and often follow the school calendar. They like to relax and unwind. Gen X also like to explore, but are looking for a bit of luxury when they're traveling. They want to be immersed in culture, and <u>food travel seems</u> to be a major focus of this generation. They also like to be well informed: <u>74% of Gen X TripAdvisor</u> users will usually or always read reviews before deciding on an attraction.

## Millennials (1977-1995/age 21-39)

As one of the most researched generations, there is a lot of information out there on Millennial travel trends. What we know is that by 2018, Millennials will represent the #1 consumer segment in the US hotel industry. This generation is money poor but time rich, and 78% would rather spend more on an experience than a thing. They are an easily influenced generation – 76% said that friends' recommendations were a main factor in decision making. As this generation gets older, they are not as interested in finding a party-animal atmosphere, they are looking to fully immerse themselves in new cultures. Food is important for this generation as well, with 98% of millennials ranking "eating local cuisine" as something that was very important when traveling.

## Gen Z (1996 and up/age 20 and under)

While everyone was researching Millennials, a new generation has started to influence the travel scene as they become adults. Hyper-connected and very aware of the world around them, Generation Z will very likely be the most adventurous out of all the generations. 60% want to change the world, which will likely inspire them to travel the globe. This generation will be more money conscious, but will be willing to

<u>splurge on trips</u> to enhance their world view. They are a generation that processes information quickly and visually, and enjoy the <u>storytelling</u> element of travel.

As marketers, we must be aware of how each generation consumes content to be able to reach them in a more efficient and effective way. In general, marketers should really start focusing on building experiences for travelers – experience being the main focus of every generation of traveler. As the Experience Era of Travel continues to evolve, marketers need to listen to each generation of consumers to adapt strategies that will speak to each one.